Matter 4 Hearing Statement

Build Out Rates

418 words, Inspector, CAUSE 664

CAUSE submits an Appendix with this hearing statement. We believe it is helpful because it brings together all the relevant build out data from the papers referred to in these MIQs.

Issues

Does the NEAs' document Build out rates in the Garden Communities (July 2019) [EB/082] provide clear evidence to support build-out rates of 300 dwellings per annum [dpa] at each of the proposed garden communities?

If anything, the Lichfields, Glasgow & HCA papers would indicate a need for a downward revision of the build out rate, to 200 or fewer. Certainly, we see no evidence to support anything above the Inspector's suggested 250 dpa.. See Figures 1 & 2, CAUSE appendix to Matter 4.

We support the cautious approach referenced by Lichfields[1] at Welbourne Garden Village, which we feel provides a useful case study. We highlight the following paragraph, which illustrates the pragmatic, rather than over-optimistic, approach, being taken by Lichfields and Fareham Council, and reflects infrastructure and land ownership uncertainty as well as uncertainty about build-out rates:

> *"Taking account of the above evidence, Lichfields and the Council believe that a delivery rate of c.250 homes per annum (following a two-year bedding-in period) is the realistic maximum annual rate of delivery that can be supported by evidence, at this juncture. It builds in flexibility against the Buckland strategy and adopts a cautious approach to ensure that the Plan does not fail to deliver against overall housing requirements. This delivery rate allows for flexibility in the delivery trajectory of Welborne, to allow for things such as outlets not delivering at the rate or within the timeframe expected or longer timescales for delivery of the new Junction 10. Thus while supportive of Buckland targeting an average delivery rate of 300+dpa, the Council and Lichfields are of the view that at the current time, to ensure that there is a robust housing trajectory for the Local Plan that can be relied upon, a rate of c.250 homes per annum (with the possibility of an increase to 275 dpa once further emerging evidence is known and confirmed) is the appropriate delivery rate for Welborne Garden Village (albeit still reasonably stretching in its own right)."*

It is very important to ensure that an agreed build out rate is not over-optimistic. It will, in due course, affect trigger dates for infrastructure (many of which might have an impact beyond the garden communities if not funded at the appropriate time), viability of the proposals as whole and possibly five year supply deliberations further down the line if delivery is not as fast as expected.

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[1] https://www.fareham.gov.uk/PDF/planning/local_plan/DraftLocalPlanEvidenceBase/EV19-Welborne_Garden_Village_A_Delivery_Trajectory_for_Welborne.pdf

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Is there any new evidence, not available at the time of the original hearing sessions, that would justify a revision of the finding in my letter to the NEAs of 8 June 2018 [IED011] that: "… it [is] reasonable to assume that the planning approval process would allow housing delivery at any GC(s) to start within four or five years from the adoption date of the plan (or plan revision) which establishes the GC(s) in principle"?

Evidence from Lichfields and from a local developer would suggest twelve years. HCA reminds us that caution is necessary. Our assumptions are set out in Figure 3.

We also note that every single deadline in the local plan process since 2015 has been missed, sometimes by several months. We were told, for example, in July 2018, that the work required for the Inspector would take three months.

<u>Questions for the North Essex Authorities and NEGC Ltd</u>

1. Would the NEAs and NEGC Ltd please respond to the critique of the Topic Paper Build out rates in the Garden Communities (July 2019) [EB/082] in:

a) the Review of NEA Build Out Rates Topic Paper report (27 Sept 2019) prepared by Lichfields (Appendix A to Gladman's consultation response)?

b) representations from other participants?

2. Representations from a number of participants argue that lead-in times for the start of housing development at the proposed GCs would be longer than four or five years from the adoption date of the plan establishing their acceptability in principle.

a) What are the NEAs' and NEGC Ltd's responses to those arguments?

b) What is the NEAs' and NEGC Ltd's expected timescale for each key stage (including masterplan & DPD adoption, outline planning permission and reserved matters approvals) from the adoption of the Section 1 Plan to the start of development at each GC?

<u>Questions for all participants, including the NEAs and NEGC Ltd</u>

1. Would participants like to comment on:

a) The Homes and Communities Agency's paper Notes on Build out rates from Strategic Sites (July 2013) submitted with the comments on EB/082 from GL Hearn on behalf of Andrewsfield New Settlement Consortium and Countryside Properties?

b) The Lichfields blogpost Driving housing delivery from large sites: What factors affect the build out rates of large scale housing sites? (29 October 2018) [EXD/057]?

c) The University of Glasgow report Factors Affecting Housing Build-out Rates (February 2008) appended to CAUSE's consultation response on EB/082?

Our answers are supported by CAUSE's appendix to Matter 4. Figure 1 pulls together all the case studies (HCA, Lichfields, Glasgow and Savills) for ease of comparison. Figure 2 plots the build out rate based on the various scenarios.

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Some observations:

I. It is clear that Lichfields, HCA and the Inspector (plus the Glasgow team) are more cautious, and we believe realistic, than the developers, in which grouping we include the NEA. HCA advises caution about over ambitious developer build-out projections;
II. Savills, for G120 highlights, sites where faster build out does appear to be happening. Savills figures are more recent than HCA. Although averages are not supplied, it is possible that the faster build out rate is propped up by Help to Buy, 2013 onwards.
    a. HBF - notes impact on supply:
        i. "Since the scheme launched housing supply has increased by an unprecedented 74%, the fastest increase on record, to supply levels last seen in the 1950s."[2]
    b. Government analysis[3] also confirms build out effect of Help to Buy,
        i. "Developers were clear that sites were being built out more quickly"
    c. What will be the impact on build rate when Help to Buy ends in 2023, long before the garden communities start to deliver homes?
III. "Rule of thumb". There seems to be an accepted principle that an outlet can deliver 30-50dpa:
    a. HCA 30-50 per outlet p.a.
    b. Calcutt 35-50 per outlet p.a
    c. "Rule of thumb" 1 dwelling per outlet per week (Adams, Leishman & Moore, Why not build faster?)"
    d. Lichfields: each outlet adds 4 completions per month
    e. National survey: each outlet adds 3 completions per month
IV. We have already addressed the effect of Letwin's 'diversity' in our consultation response.
V. Savills focuses on Colchester's housing delivery and argues that there is scope for faster growth. Given that Colchester has long outstripped other districts in Essex, and by a margin, it is hard to see how it can or why it should grow even faster than it does already. Why Savills does not address Braintree's delivery is not known. Here is the housing delivery [4]table:

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[2] https://www.hbf.co.uk/news/help-buy-unmitigated-success/

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751359/Evaluation_of_the_Help_to_Buy_equity_loan_scheme_2017.pdf

[4] https://www.southeastlep.com/app/uploads/2019/01/Item-8-Housing-Delivery-Test-Essex-Paper.pdf

Essex's HDT Performance.

Area Name	Total number of homes required	Total number of homes delivered	Housing Delivery Test: 2018 measurement	Housing Delivery Test: 2018 consequence	Housing Delivery Test: 2020/2021 projections (based upon current delivery levels)
Basildon	2,089	1,569	75%	Buffer	Presumption
Braintree	1,416	1,311	93%	Action plan	Presumption
Brentwood	933	474	51%	Buffer	Presumption
Castle Point	821	395	48%	Buffer	Presumption
Chelmsford	2,025	2,802	138%	None	Action Plan
Colchester	2,583	3,109	120%	None	Buffer
Epping Forest	1,982	980	49%	Buffer	Presumption
Harlow	1,008	846	84%	Buffer	Presumption
Maldon	678	682	101%	None	Presumption
Rochford	764	574	75%	Buffer	Presumption
Southend-on-Sea	2,495	1,223	49%	Buffer	Presumption
Tendring	1,877	1,468	78%	Buffer	Presumption
Thurrock	2,480	2,171	88%	Action plan	Presumption

2. a) How many outlets would be needed at each of the proposed GCs in order to deliver (i) 250dpa (ii) 300dpa (iii) 500dpa?

In Figure 1, we set out at the bottom of the table, the number of outlets likely to be required

b) Is there evidence to show that the required numbers of outlets could successfully operate at each GC?

Savills, for G120, demonstrates sites can have as many as nine outlets. However, it must be remembered that if all three garden communities are being built simultaneously, and if 500dpa is the goal, then as many as 17 outlets will be operational at each of the three sites. Even if this is achievable, it is highly questionable whether the market can absorb this supply, even if diversity is factored in. The GC's will be in addition to Section 2 and other local plan growth. Unless government steps in with a mass council house-building program (proposed today, 20 November, by the Labour Party, pre-election) then then the local market is very unlikely to be able to absorb 1500 garden community homes each year. The Glasgow research is most telling on this point because it sets out the views of builders.

Another point raised by the Glasgow research team is that for supply to be maintained, house prices are often reduced. This will in turn affect viability and in turn the ability of developers like G120 to honour their infrastructure obligations. It will also reduce the ability to achieve a place-making premium, something talked about by Savills and by CBRE[5] for the Welbourne Garden Village and by

[55] https://moderngov.fareham.gov.uk/documents/s23065/Appendix%20B%20-%20Welborne%20Viability%20Review%20-%20Edited.pdf

Aecom previously for the NEA. However, Savills makes it clear that for a place-making premium to be achieved, infrastructure, and in particular a secondary school is essential.

Appendices next page.

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Appendix, Matter 4. Figure 1

Build Out

Site or Promoter	**Local authority**	**Capacity**	**Outlets**	**Affordable**	**Average pa**	**Highest pa**	**Start**	**End**	**96/97**	**97/98**	**98/99**	**99/00**	**00/01**	**01/02**
HCA Paper:			**Avg HCA:**		**186**	**390**								
Chalford Hundred	Thurrock UA	5307			205	677	1988	2005	198	177	356	492	489	675
Hampton Southern Township	Peterborough	5200			321	548	1996		149	95	192	356	456	247
Wixams	Bedford	4500			265	496	2008							
Broughton Gate & Brooklands	Milton Keynes	4000			281	439	2005							
Highwoods	Colchester	3910			77	257	1982	2004	173	252	257	156	88	70
The Wick, Wickford	Basildon	3555			93	306	1990	2004	397	466	513	316	158	66
Cambourne	South Cambs	3300			234	620	1998				126	126	127	213
Grange Farm	Suffolk Coastal	3150			83	146	1990	2005	146	146	146	146	146	146
Emersons Green Village Area	South Glos,	2870			358	564	1996		161	508	524	564	564	242
Thorpe Marriott	Broadland	2854			79	279	1988	2000	279	205	219	157	171	
Great Ashby	Stevenage	2191			184	319	1998	2005			30	204	319	310
Great Notley Garden Village	Braintree	1766			131	282	1993	2004	195	215	133	84	271	193
Loves Farm, St Neots	Huntingdonshire	1400			215	336	2008							
Ravenswood	Ipswich	1200			136	226	1999	2005				5	200	60
Fairford Leys (Coldharbour)	Aylesbury	1200			133	349								50
Savills paper:				**Savills avg max:**		**382**	Post Help to Buy:							
North Swindon Tadpole & Blunsdon		2500	9	26%		452	2015	2018...						
Berryfields & Weedon Hill		4000	7	23%		433	2010	2018...						
Great Western Park, Didcot		3300	6	35%		424	2011	2018...						
Western Expansion Area, Milton Keynes		6,600	5	30%		393	2016	2018...						
Wickhurst Green & Highwood		2000	3	20%		318	2013	2018...						
Brooklands & Broughton Gate		4000	4	30%		274	2010	2018...						
North Essex Section 1			**Outlets** @ 30-50dpa:											
Lichfields site >2000			3-5		139									
HCA Paper:			4-6		186									
Inspector recommendation			5-8		250									
North Essex Authorities			6-10		300									
Gateway120/L&Q			7-12		357									
North Essex Garden Communities Ltd			10-17		500									
Savills claim			9-17		500									

HCA urges caution on over-optimistic developer build out projection

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Figure 2

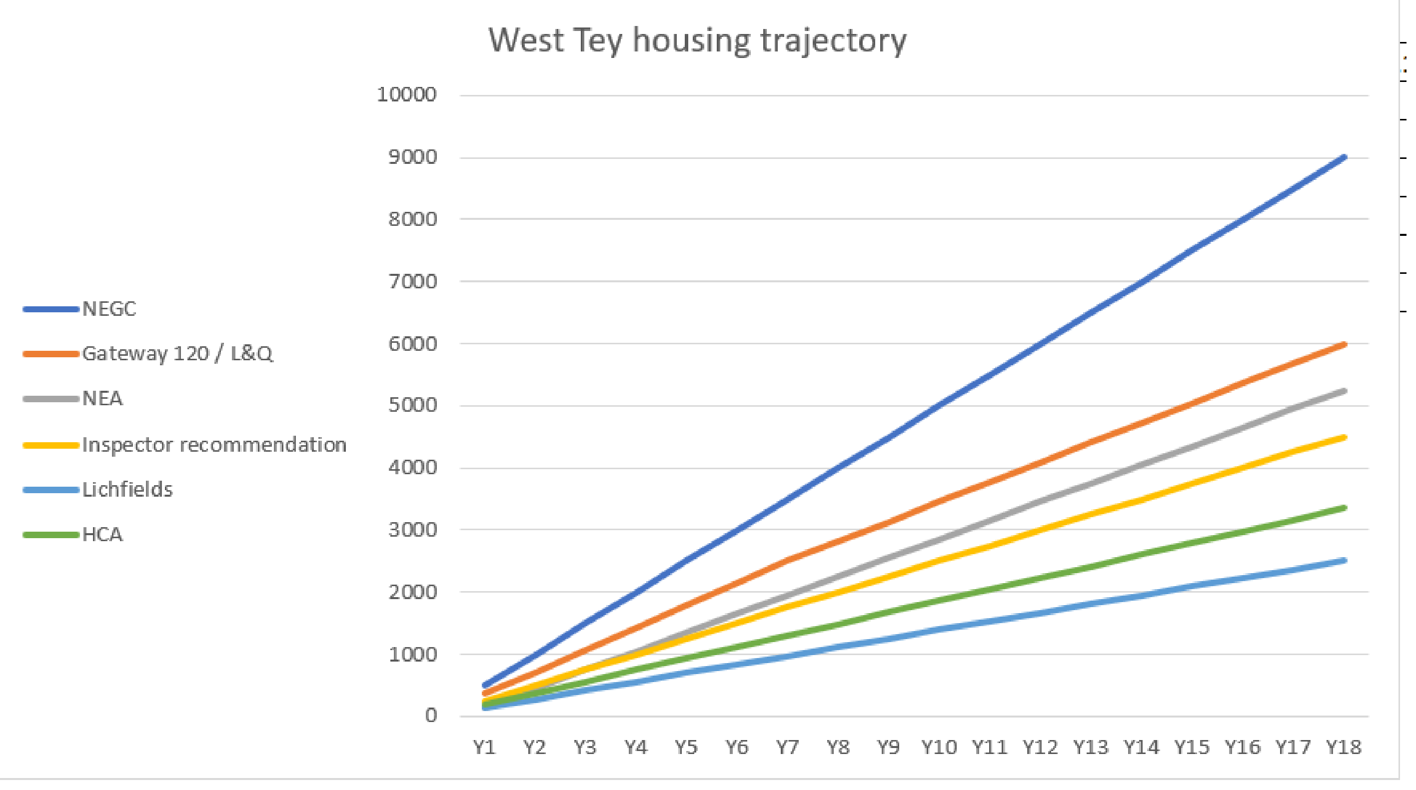

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Figure 3

WEST TEY: Build Out rates & start of build

	Adoption of S1 Plan		DPD	Out-line planning	HIF bids expire		A120 opens *		A12** open J19-25	GC planning granted			1st house	End of Plan period
Dpa cumulative	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
NEGC	0	0	0	0	0	0	0	0	0	0	0	0	500	1000
Gateway 120	0	0	0	0	0	0	0	0	0	0	0	0	357	714
NEA	0	0	0	0	0	0	0	0	0	0	0	0	150	450
Inspector	0	0	0	0	0	0	0	0	0	0	0	0	250	500
HCA													186	372
Lichfields	0	0	0	0	0	0	0	0	0	0	0	0	139	278

Dpa cumulative	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
NEGC	1500	2000	2500	3000	3500	4000	4500	5000	5500	6000	6500	7000	7500	8000	8500	9000
Gateway 120	1071	1428	1785	2142	2499	2817	3135	3453	3771	4089	4407	4725	5043	5361	5679	5997
NEA	750	1050	1350	1650	1950	2250	2550	2850	3150	3450	3750	4050	4350	4650	4950	5250
Inspector	750	1000	1250	1500	1750	2000	2250	2500	2750	3000	3250	3500	3750	4000	4250	4500
HCA	558	744	930	1116	1302	1488	1674	1860	2046	2232	2418	2604	2790	2976	3162	3348
Lichfields	417	556	695	834	973	1112	1251	1390	1529	1668	1807	1946	2085	2224	2363	2502

Timeline assumptions:

Adoption of S1 earliest summer 2020

DPD consultation and Examination 18 months

Submit Outline Planning Application 1 year

Lichfields average planning period 5.8 years

Lichfields planning to delivery 2.9 years

(Sites over 2,000 homes)

https://lichfields.uk/blog/2018/october/29/driving-housing-delivery-from-large-sites/

**A120 if RIS2 success*

***A12 HIF bid not yet announced*

G120 Phase 1: Pop: **5998**	**G120 Phase 2** **Pop: 14393**
2 x pre-school and primary school	2 x pre-school and primary school
Primary care centre	Secondary school and sixth form
Leisure centre, indoor courts and library	Primary care centre
Off-site reinforcements of electricity	Leisure centre, indoor courts and library
Primary sub-station	Access on to A12
A120 diversion	New western expressway
Public transport / bus rapid transit	Rail station improvements

NEA Hyas dwelling triggers		**Pop 5634**	**Pop 10800**
	Gas up-grade	Final sewage pipeline payment	Healthcare spoke; Secondary school